Patel, Shri Vithalbhai M.
Patil, Shrimati Pratibha Devisingh
Patil, Shrimati Suryakanta Jayawantrao
Patil, Shri Vishwasrao Ramrao
Pattnaik, Shri Sunil Kumar
Puglia, Shri Naresh C.
Radhakrishna, Shri Puttapaga
Rafique Alam, Shri
Rahman, Shri Mohd. Khaleelur
Rai, Shri Kalpnath
Rajangam, Shri N.
Ramamurthy, Shri Thindivanam K.
Ramanathan, Shri V.
Rao, Shri Moturu Hanumantha
Rao, Shri Yalla Sesi Bhushana
Rathwa, Shri Ramsinh
Ravi Shankar, Pt.
Razi, Shri Syed Sibte
Reddy, Shri B. Satyanarayan
Reddy, Shri T. Chandrashekhar
Richharia, Dr. Govind Das
Sahay, Shri Dayanand
Sahu, Shri Baikunthnath
Sahu, Shri Santosh Kumar
Saikia, Dr. Nagen
Salve, Shri N. K. P.
Satya Bahin, Shrimati
Shiv Shanker, Shri P.
Siddiqi, Shri Shamim Ahmed
Silvera, Dr. C.
Singh, Shri Bir Bahadur
Singh, Shri Bir Bhadra Pratap
Singh, Shri R. K. Dorendra
Singh, Shrimati Pratibha
Singh, Shri Surender
Singh, Shri Vishvjit P.
Sivaji, Dr. Yelamanchili
Solanki, Shri Madhavsinh
Sukul, Shri P. N.
Swaminathan, Shri G.
Taimur, Shrimati Syeda Anwara
Talari Manohar, Shri
Thakur Jagatpal Singh
Thakur, Shri Rameshwar
Thangkabalu, Shri K. V.
Tiria, Kumari Sushila
Tripathi, Shri Chandrika Prasad
Upendra, Shri Parvathaneni
Valiullah, Shri Raoof
Verma, Shri Ashok Nath
Verma, Shri Kapil
Verma, Shrimati Veena
Vikal, Shri Ram Chandra
Vincent, Shri M.
Vora, Shri Motilal
Yadav, Shri Ish Dutt

Ayes	—	155
Noes	—	Nil

The motion was carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

MR. CHAIRMAN: The Bill is passed by the required majority. Now the House stands adjourned till 2 O'clock for lunch.

The House then adjourned for lunch at thirty-two minutes past one of the clock.

The House reassembled after lunch at two minutes past two of the clock, The **Deputy Chairman** in the Chair.

THE BANKING, PUBLIC FINANCIAL INSTITUTIONS AND NEGOTIABLE INSTRUMENTS LAWS (AMENDMENT) BILL, 1988.

THE MINISTER OF FINANCE (SHRI S. B. CHAVAN): Madam, I beg to move:

"That the Bill further to amend the Negotiable Instruments Act, 1881, the Reserve Bank of India Act, 1943, the Banking Regulation Act, 1949, the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, the Deposit Insurance and Credit Guarantee Corporation Act, 1961, the Industrial Development Bank of India Act, 1964, the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, the Regional Rural Banks Act, 1976, the

Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980, the Export-Import Bank of India Act, 1981, the National Bank for Agriculture and Rural Development Act, 1981 and the Industrial Reconstruction Bank of India Act, 1984, as passed by the Lok Sabha, be taken into consideration."

Madam, I rise to commend to the House for consideration the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Bill, 1988. The various Banking Laws were last amended in 1985. Since then, in the administration of these Laws, a need for some further amendments has been experienced. This Bill that is before the House seeks to meet only these limited felt needs.

We are aware that there has occurred a sea change in the banking scene since the day our late Prime Minister, Shrimati Indira Gandhi took the momentous decision to bring commercial banking in the fold of the public sector. There is a need to take stock of these developments, assess our perspective requirements and redraw our strategies for future growth. A comprehensive Bill on banking may become necessary to achieve our objectives. However, such a Bill if considered necessary would be taken up later. The present Bill does not seek to achieve any major changes in the banks' operations. The Statement of Objects and Reasons appended to the Bill sets out the rationale for various provisions of the Bill. I would, therefore, dwell only very briefly on some of the more important provisions.

Madam, we have been strengthening the capital base of our nationalised banks during the last three years so that their debt: equity ratios reach a level which is internationally acceptable. At present the paid-up capital of the nationalised banks is subject to a ceiling of Rs. 100 crores. With successive contributions this ceiling has been reached in the case of some of the banks. On the other hand, with ever expanding deposit base, the need for enlarging their capital base persists. It is therefore proposed to revise the ceiling to Rs. 500 crores.

The Bill also seeks to provide for uniformity in the tenure of all non-official directors and employee directors on the Boards of State Bank Group of banks and financial institutions and to limit their continuous membership on the Boards of directors in keeping with the principle enunciated by the Estimates Committee. The same principles would apply to the Boards of Nationalised Banks provisions for which would be incorporated in the Nationalised Banks (Management and Miscellaneous Provisions) Schemes of 1970 and 1980, by way of subordinate legislation. As the hon. Members are aware, the Direct Tax Laws (Amendment) Act, 1987, provides for financial year as the uniform previous accounting year for all the assessees. Since public sector banks are also subject to tax laws, they would have to submit their profit and loss accounts in future with reference to financial years. Since banks at present have calendar years as their accounting years, the change would have necessitated closure of books by the banks as at the close of business on December 31 and March 31 every year. To obviate this avoidable exercise which is costly, it is proposed to change the present accounting year of the banks and financial institutions also to coincide with the financial year. This Bill proposes to give the requisite power to the Government to notify the accounting year of the banks.

Hon. Members are aware that there have been persistent and widespread demands from various trade and industry associations to make bouncing of cheques a penal offence. In this Bill, it is proposed to amend the Negotiable Instruments Act to provide for this. The provision aims at improving acceptability of cheques in settlement of liabilities. Hon. Members would agree that this is a desirable objective. The provision seeks to make bouncing of cheques for want of sufficient funds, a penal offence. It does not

deliberately go into the question of intentions of the drawers, as no prosecutions are permitted without the drawer getting a notice of dishonour and 15 days' time to make good the amount of the cheque. Thus, although the provision does not specifically provide for *mens rea* it is presumed retrospectively once the drawer does not pay even after getting notice and time for payment. Such laws exist in almost all the major countries of the world. The provision provides enough safeguards to avoid harassment to honest account-holders.

The Bill also seeks to provide for authority to the Reserve Bank of India to direct special audits of banks for specified periods or for specific transactions. This enhances the investigative authority of the Central Bank of the country. It is also proposed to provide for making of the regulations by the Board of Directors of certain banks and financial institutions by notification in the Official Gazette as recommended by the Committee on Subordinate Legislation. There are various other amendments which are proposed to obviate certain practical difficulties encountered in operating the present provisions of the various laws and are mainly of routine or administrative nature.

As the hon. Members are aware, there has been a phenomenal expansion of the banking system during the last eighteen years or so. The branch network of the banking system has expanded from 8,262 in June, 1969, to 55,015 in March, 1988. The total quantum of deposits has increased from Rs. 4,646 crores in 1969 to Rs. 1,17,574 crores as at the end of March, 1988. Similarly, the advances have also increased from a little less than Rs. 3,600 crores to over Rs. 70,088 crores over the same period. The thrust of our banking development has been towards rural and under-developed areas and weaker sections of the society. The public sector banks have been the dominant factor in this transformation of our banking system having taken upon themselves the responsibility of discharging socio-economic obligations in response to felt national needs.

I am aware that expectations from our banks have been increasing and there has been a general feeling that the banks have not been able to keep pace with popular demands. During the recent past, concerted efforts have been devoted to bring about an allround improvement in the operations of the banks. Improvement in customer service has received specific attention in the last three years. Hon. Members may be aware of the various measures which have been taken by the banks in the recent past for improving the quality and speed of cusomer service. We have been able to achieve perceptible improvement and I am sure that with improved mechanisation and computerisation and continued stress on training to improve our manpower capabilities and bring about a change in the approach and attitude of our bank officers and staff, better banking services can be assured to the people. I shall appreciate all suggestions that the hon. Members may make during the course of the debate on this Bill to help the banks to move towards the goal of customer-satisfying service.

I commend the Bill for the consideration of the House.

The question was proposed.

SHRI PUTTAPAGA RADHAKRISHNA (Andhra Pradesh): May I seek a small clarification from the speech of the hon. Minister?

THE DEPUTY CHAIRMAN: When you speak you can ask.

SHRI PUTTAPAGA RADHAKRISHNA: If at this point itself I am enlightened. . .

THE DEPUTY CHAIRMAN: This House is run on certain procedure and conduct of business. You cannot seek clarifications like this. There is no such provision.

SHRI PUTTAPAGA RADHAKRISHNA: Can't I ask a clarification from the speech of the Minister?

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): What is the procedure?

THE DEPUTY CHAIRMAN: Let me say. I know my duty. (*Interruptions*). Please do not start new conventions. Every speech of a Minister must not be agreeable to you, but it does not mean that you can get up at any point of time. When your chance comes I will give you full time. If you want any further clarification, you can ask in the third reading. I will allow you or whosoever is in the Chair will allow you.

SHRI PUTTAPAGA RADHAKISHNA: I am speaking on behalf of my party.

THE DEPUTY CHAIRMAN: Yes, when your chance comes you can speak. You better read the rules book. You can speak only when you get a chance. We cannot start new conventions or new rules. You can ask clarifications when your chance comes.

Yes, Shri Kamal Morarka.

SHRI KAMAL MORARKA (Rajasthan): At the outset I wish to say that this is an ominous sort of Bill which seeks to amend 13 different Acts and it has 50 clauses. When I saw this voluminous Bill, I had to literally go clause by clause and I discovered that but for 3 or 4 clauses the rest are totally of procedural nature. It would have been much better if the Bill consisting of the important clauses was brought separately for a meaningful discussion. Out of 50 clauses 20 deal with change in the accounting year, 8 clauses deal with regulation of notification by the Board of Directors and 8 clauses deal with uniformity in the term of Board of Directors. These I presume are matters of technical nature because the Direct Taxes(Amendment) Bill makes it obligatory to change the accounting year, the companies which are registered under the Companies Act can do so by adopting their own procedure and the companies incorporated under the Acts of Parliament have to be done by amendments to those statutes. But there are two very important provisions which I would like to discuss and I would like the Finance Minister to seriously consider. One has been discussed extensively in the press, outside in the other House and that is about the provision relating to the change in the Negotiable Instruments Act, the provision about bouncing of cheques. The second is about the banks. I am glad the Finance Minister in his speech has also mentioned that suggestions about the working of the banks or improvement therein would be welcome. I would confine myself to these two points and I will take the first point first.

The Negotiable Instruments Act 1881 is the document which has stood the test of the time. Government in its wisdom has now considered it necessary to add a whole chapter in this Act, namely, sections 138 to 142. I feel it is wholly uncalled for for two reasons. Firstly, in the Statement of Objects and Reasons that has been given it is said that it will increase the acceptability of cheques as a negotiable instrument. I do not think that this Bill will make cheques more acceptable. On the contrary it is an inbuilt mechanism by which people will be shy of issuing cheques and I will explain how. In principle, it is obvious to everybody that people giving cheques should be serious that they must have money in the bank. If the cheque bounces, it is a very serious matter. But in Indian conditions, there are two factors, as you will see from the amending Bill itself. The provision is that any individual, if he gives a cheque to another individual in the discharge of his liability wholly, or of a part of the liability, and if that cheque is returned by the bank for any of the reasons given therein—(a) that there is not enough money in the bank account (b) that the amount of the cheque exceeds the arrangement that the drawer has with the bank—in that case, it becomes a criminal offence. Here I would like to point out to the Finance Minister that the way the Indian banks function, with the system of cash credit and the system of overdraft, the very system is such that there can be an arrangement between the drawer of the cheque and the bank which is very very flexible, with the result that there have been cases, a few years ago, when the banks one day suddenly declar-

ed a credit squeeze and all cheques of all companies, including those of huge corporations, bounced because the banks decided to freeze the cash credit accounts at the amounts drawn on that date. Now this was not fault of the borrower. Similarly, today even a small borrower has a very informal arrangement with the bank manager under which he is allowed to overdraw up to Rs. 10,000 or 20,000. It is an arrangement between the accountholder and the bank. Now if an individual gives a cheque of ten thousand and that arrangement which is totally informal and which has been going on for years, fails because the bank manager is absent or has gone on leave—it happens in certain cases—and the cheque bounces, under this Act straightway he is open to criminal prosecution, for no fault of his.

I will give you and example, which is the strangest example. I want Madam Deputy Chairman to pay her attention to this. A Member of this House, Mrs. Renuka Chowdhury, has an account with the State Bank of India in this Parliament House. Now according to her, as per her TA/DA bills etc. forty thousand rupees should be there in the account.

THE DEPUTY CHAIRMAN: Is it an assumption or a true story?

SHRI KAMAL MORARKA: It is a fact, Madam, which I am narrating for the attention of the Finance Minister. I am showing that for no fault of the accountholder, it cang happen to an M.P. in Parliament House, forget about a citizen! Forty thousand she is supposed to have in the bank. And she has found that there is no money in her bank account.

SHRI A. G. KULKARNI (Maharashtra): How?

SHRI KAMAL MORARKA: She has been swindled. Part of it has been forged. A forgery has taken place in the account of an M. P. situated in the State Bank in Parliament House! Now if Mrs. Chowdhury gives cheque of ten thousand rupees, which is quite bona fide as she knows that there is 40,000 in her account, and that cheque bounces, as it will since there is no money in the bank account, she will be prosecuted and not the bank manager. So this is the most Draconian piece of legislation, in my opinion, Madam. The existing Indian Penal Code and the Criminal Procedure Code take adequate care of a criminal. If I am giving a cheque without any intent of paying, the law can take care of me. There is absolutely no need to tinker with the Negotiable Instruments Act. It is a short cut, Madam The bureaucracy has learnt the art of short-cut. What is that short cut? Complicate the law, as if by complicating the law, the problem can be solved. In spite of the Indian Penal Code, there are thefts taking place. The police have to deal with thieves. By complicating the Negotiable Instruments Act, I submit, the acceptability of cheques will not increase. It is the honest man who will be afraid of giving a cheque because he does not know how the bank is functioning. The big corporations which have cash credit accounts will be more wary of issuing cheques. There is a provision that in the case of a company, if the cheque bounces, every director, manager or officer of the company who is incharge of the affairs of the company will be prosecuted. Now you know that in a big company there are so many people authrised to sign a cheque. If one person of the company signs a cheque, knowing full well that it will bounce, everybody else will be prosecuted. This is wholly inequitous, unjustified and uncalled for. What will happen is that even after we pass this Act, this cannot stand the scrutiny of courts because under the basic law of the country, only a guilty man can be punished. You cannot start a criminal prosecution against a person who has not participated in the crime. Here is an Act which says that if "A" commits a crime, "B", "C", "D", "E", "F" will all be prosecuted for the crime. This is the law which has been passed by the Lok Sabha and which we are about to pass today. With the addition of clauses 138 to 142, I have given this example, how an honest person can be harassed. Thinking that there is money in the bank, thinking that the bank manager has always given him

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overdraft of Rs. 20,000, one issues a cheque, but the bank manager is absent.

THE DEPUTY CHAIRMAN: Did Mrs. Renuka get her money back?

SHRI KAMAL MORARKA: No. The State Bank of India has taken no action. They have not even reported it to the police. Nothing has happened.

SHRI S. B. CHAVAN: Was it a case of forgery?

SHRI KAMAL MORARKA: Partly. Partly the money has been deposited and withdrawn by a person forging her signature. The full facts of the case are still not known. She is at a loss. She is just running from pillar to post. If that happens to an MP, the purpose of my submission is...

THE DEPUTY CHAIRMAN: The hon. Finance Minister will look into it.

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): Between the M. S. Branch and the Bank it is going on.

SHRI KAMAL MORARKA: "M. S. Branch" means Rajya Sabha Secretariat. What I am trying to bring to the attention of the Finance Minister....

SHRI SATYA PRAKASH MALAVIYA: To find out the man neither the M. S. Branch nor the Bank is doing anything.

SHRI KAMAL MORARKA: It is not always good to copy what is prevalent in England. The English Act, 1979 is from where we have got this. It is almost a lift-off. If I am permitted to say, from the British Act we have got this provision. What is good for the British may not be good for us because our society functions in a different way. In Britain it is inconceivable that there will be ledger errors. I will give you hundreds of cases in Bombay, Delhi and Calcutta where the bank returns the cheque because the ledger has not been posted. Next day they say, money is there. Under your draconian Act immediately, if I hold a cheque and if the cheque bounces, I can prosecute that man, and he has to prove....

SHRI JAGESH DESAI (Maharashtra): Sometimes post-dated cheques are asked by persons, and you give them because you think that the money will come.

SHRI KAMAL MORARKA: Correct. It is a very valid point raised by Mr. Jagesh Desai. We give post-dated cheques and the expected money, bona fide expected money does not come.

In all these cases, I humbly submit, by adding these five sections we are just creating complications in the Negotiable Instruments Act. We are starting a number of litigations.

Now the Finance Minister can turn round and ask me how we can stop people giving bogus cheques. It is very simple, Sir. Whenever there is a bogus cheque and people are prosecuted, if the criminal cases are decided fast, if people are sent to jail, nobody will give a bogus cheque. But if criminal cases take ten years for decision, we are only adding further work to the judiciary. Just now there are only genuine cases of cheating. Now we will have bogus cases of cheating also, and the judiciary's work will never come to an end. I humbly submit, addition of these will increase the load of the judiciary unnecessarily. It does not increase the acceptability of cheques even by 1 per cent. Even today cheques are accepted because I know who is giving cheque, I know that this man has the capacity to pay. I do not accept a cheque from a person whose background I do not know. So, acceptabi-

lity of a cheque cannot be guaranteed or increased because there is a legal provision and he would be sent to jail. Everybody knows what Indian law courts are. No sane citizen wants to go to a court of law in India. Therefore, nobody is going to accept a cheque in the hope that "now that there is a provision I can send him to jail. And so let me accept the cheque." That will not happen. So, the objects and reasons will not be served by this addition. My submission is that it should not be added.

If the Negotiable Instruments Act had to be amended, I submit it should have been a separate Bill. The Negotiable Instruments Act is a very very important Act. It needs a lot of amendments. For example, there is no definition of the word "hundi" in the Negotiable Instruments Act. In India it is a legitimate bill of exchange, "hundi". I am not talking about the black money "hundi" which is also flourishing in the market here. But there is a genuine "hundi".

In the Income-Tax Act there is a mention of "hundi". There are umpteen litigations under the direct tax laws in which the court and the tribunal are stuck up because there is no definition of "hundi" in the Negotiable Instruments Act. If the Negotiable Instruments Act has to be amended, I submit that the bureaucracy or the people in the Finance Ministry should apply their mind seriously and bring about amendments that are required, by which genuinely the people who are using the negotiable instruments are benefited. By adding this clause which is plagiarism from the British law, we are serving no purpose, we are just increasing the work of the judiciary, we are not enhancing the acceptability of cheques. As usual under most other laws we are recently passing, we are putting the honest citizen in jeopardy. The honest man will have some litigations facing him without knowing why he is facing them. A person who does not have money in the bank will certainly be prosecuted and under your law he has to go to court and onus of proof is on him to prove that he had no intention to cheat. I do not know how he will be able to prove that also, because the bank manager may not cooperate. So, this particular addition, which is one of the most significant features of the Bill that we are passing today, needs to be reviewed. In case it is passed I would request the Finance Minister to bring in some amendment to this because this is totally maddening.

Now, the other side of it. Even under this law I can give a cheque and then write to the bank "don't pay". That cannot entail prosecution under the law that we are passing today. I have already shown how an honest man can be harassed. Now I am showing how a dishonest man is not covered by this law. The person who really wants to cheat today, you know what is he doing. He is issuing me the cheque and then telling the bank not to pay or he is issuing a cheque and deliberately giving a wrong signature or wrong date. Those persons are not covered by it. So, if a man wants to be dishonest with me he can get away. If I want to put an honest man to trouble, I can. That is the sum and substance of the five clauses we are passing today.

The next point is regarding banks. Now there are a number of clauses here. I will specifically refer to two or three. One is we are removing the ceilings on Reserve Bank's loans to IFCI. I submit to the Finance Minister the IFCI is one corporation which needs thorough revamping investigation, and if necessary, merger into IDBI. It is an organisation which is known for total inefficiency. I do not want to use harsher words. About ten or twelve years ago Parliament passed a legislation making the IDBI the

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holding company for IFCI and other Corporations. I submit that that legislation has not been given effect to in the sense it must have become the holding company, but the IDBI is not functioning as the holding company of the IFCI. I feel the time has come when that legislation should be given effect to and the IFCI should be finally put under IDBI. IDBI is a body which is much bigger, much more professional, which is dealing with small scale sector and medium scale sector and everybody and much of the flaws and sluggishness which is plaguing the IFCI can be taken care of by doing this. While ceiling of the RBI may be removed and more money may be given to IFCI, it is equally important to see that money is used correctly. The present functioning of the IFCI does not inspire any confidence for either the borrower or the public at large.

The other thing is that the Government is taking powers for making some tenure of directors uniform, for seeing that not more than two three-year terms would be allowed to some non-official directors, the consultation with the Reserve Bank will not be necessary in certain cases, consultation with the State Bank will not be necessary. So far so good. As far as the public is concerned the Government is already all powerful. The Government wants to have additional powers, but I want to ask the Government what is it doing with the powers it has. The banks do not have non-official Directors for five years or more. All banks are being run by the Chairmen, Executives, Directors, by one Reserve Bank nominee and one Joint Secretary in the Finance Ministry who flies in the morning and flies back in the evening. No bank is being run by the Board of Directors. This is scandalous. Appoint whom you want to. After all the Government is going to appoint.

SHRI RAOOF VALIULLAH (Gujarat): There was a firm assurance on the floor of the House by the hon. Minister that the Board will be reconstituted in a very short time before the next session. Two sessions have already passed.

SHRI KAMAL MORARKA: Everybody is agitated on this issue. It is a common talk. In banking circles everybody knows that lists have been drawn, redrawn, re-redrawn and they are pending. Why? I humbly submit to the Finance Minister, please appoint the Directors tomorrow. You are the Finance Minister of the country. Please appoint, no matter whom you appoint. Of course, it does not mean you appoint all Congressmen. I don't agree, but please appoint. (*Interruptions*) For heaven's sake, I request the Finance Minister, if the matter is pending with the Prime Minister, please speak to him personnaly I am sure the Prime Minister does not stick on the small things. He is not interested. But some bureaucrat is sitting either in the Finance Ministers. Office in the Prime Minister's Office. The net result is that the borrower has to content himself with the bank run by these bureaucrats. And the attitude of the Jt Secretary (Finance) or the Reserve Bank of India is well known to everybody. It is more security-oriented and more archaic than what the banks were before nationalisation. Forget about the social objectives. Forget about the objectives of nationalisation. Forget about all those heady speaches of Mrs. Gandhi. The officials of the Reserve Bank and the Ministry of Finance (Banking) have absolutely no regard, no respect for that kind of lending. They have no patience because for that kind of lending, you have to create a professional cadre. It is very hard work. There has to be proper appraisal of application. There should be proper follow-up of the loans. There should be proper recovery. Who wants to

do all that work? Instead of that let us lend money to some big man. He has got enough security. Money is safe. We are safe. There will be no enquiry. If that is the purpose of the banking system, no wonder the village moneylender is still relevant his system is more stable. What we are doing in India now is that under the garb of nationalised banking we are working. It is not banking. It is money lending. We have stopped giving money to Rickshawallahs. Mr. Jagesh Desai is here and he will bear with me. In 1969 when the banks were nationalised there was a sudden upsurage, wide diffusion of entrepreneurship in the country. Today, what is happening? You go to the banks; the bank also, wants to know which group the company belongs to. They want to know what is the collateral guarantee. Will Mr. so-and-so give us a personal guarantee? Yes, if Mr. Morarka goes they will be happy. They ask: "Are you giving the personal guarantee?". They do not consider the viability of the project. A small man goes, who cannot offer anything, he runs from pillar to post, unless he uses some other methods in which he gets his loan. But today the banking system is suffering from very serious maladies. First, there is no professional cadre for proper appraisal and disposal of the loan applications. The number of entrepreneure is increasing. The economic activity is increasing. But the banking system, though there has been a significant banking expansion, as the Finance Minister himself has given the figures and big increase in deposits, has not measured up to the task. This year, the current year is going to be a watereshed in the increase of deposits because the money supply itself has gone up. Now, all this money is coming in, you have so much liquidity why is the banking system not measuring up to the task? It is because the management of the banks is totally out of date. They are afraid of talking to the Labour Unions. They are afraid of convincing them about the computerisation. They are afraid of taking work from the juniors. With the result inter-bank reconciliation of accounts is pending for ten years.

Recently, a question came up in the House...

SHRI JAGESH DESAI: It is in lakhs.

SHRI SHANKARRAO NARAYANRAO DESHMUKH (Maharashtra): It is in crores.

SHRI KAMAL MORARKA: Yes. We do not even know how many frauds exist. We do not even know what is the position of these banks. We do not even know where the banks stand. Sir, if the banking system has to measure up even moderately to the task ahead, it has to be revamped; non-official directors is a must. A proper policy with the Labour Union is a must. There can be two views on computerisation and other things. We must formulate a national policy. We must see to it that the banking system becomes a well-oiled machinery to meet the task ahead which is not so today.

The other thing which I would strongly recommend to the Finance Minister is, the Sukhmoy Chakravarty report which is gathering dust, should be implemented, if not wholly, at least substantially. Profitability of banks has to be protected. You cannot expect a bank to do service to the community if the bank itself becomes sick. Unless there is a proper gap in the interest on the money deposited and the money lent. We have to take care of the weaker sections. We have to take care of the developmental banking which is unique to the Indian banking system. They are commercial banks which are doing a lot of development banking. Considering all that still there have to be norms to protect the profitability of the banking system. If the profitability of the banking system erodes, the entire economy will be in

[Shri Kamal Morarka]

trouble. We will not know it today but we will know it after ten years. The Sukhmoy Chakravarty report gives very good suggestions for protecting the profitability of the banks.

Apart from this gap between lending and borrowing rates, there has to be a strict check on the expense ratio. Unfortunately, as this is the wont in our method of functioning, expenses just mount up and since nobody is answerable to anybody, nobody is there to check it. It should not happen. The expenses should be kept to the bare minimum. The ratio should be compared. Madam, one of the beauties of our system is when some ratio is adverse, we will take out some ratio from France or Italy and say, look here, it is better than that. Some other ratio, we will compare it with Korea or Singapore. This kind of comparison is no good. We must follow one pattern because some ratio will be less than some other ratio or more than some other ratio. The Indian Banking system today suffers from erosion of profitability. In some of the banks, even the accounts do not reflect the correct posiion. Now, the audit comments have been there. I do not want to bring it up here because the time is short. In the United Bank of India, the Punjab National Bank, the Statutory Auditors have put comments that the accounting procedure followed is defective. We are showing false profits. We are suppressing lot of facts. All this is uncalled for. It is public money. It is public sector. That Chairman who is here today may not be there tomorrow. We are here today. We may not be here tomorrow. The public money has to be dealt with with due vigilance and with punctiliousness. On the Banking and the Negotiable Instruments Act, I made my submissions. The other is about the paid-up capital. Yes, it should be increased. Again, the financial institutions should see that the increase you are bringing still may not be enough increase. But, I think, now the limit per Bank is quite high. It will be after sometime that we may have to revise it again. But profitability of banks should not be increased only by increasing the paid-up capital. It has to be increased by better earning and less expenses. With these words, I conclude. Madam, I wish the Finance Minister would give a serious thought to what I said. Thank you.

SHRI RAMESHWAR THAKUR (Bihar): Madam, I support the Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Bill, 1988. As the hon. Minister of Finance has explained, there are a few very important changes which are necessary according to the need of the time. For instance, the authorised capital. The authorised capital was raised from Rs. 50 crores to Rs. 100 crores in the year 1985. Now, the ceiling has been raised to Rs. 500 crores. I think, the time has come when it should have been possibly raised to Rs. 1,000 crores. Since our banking operations are rising, deposits are increasing year by year and in order to maintain a debt equity ratio, it would have been better if we had raised it to Rs. 1,000 crores at one time instead of Rs. 500 crores. But even Rs. 500 crores is a welcome feature and we welcome this.

Then, about the uniformity of tenure of the directors. This is very essential. This has been rightly done and the limit that no director will be there continuously for more than two terms, that is six years, is a welcome feature because the same director should not continue for a longer period.

As regards financial year, this we all welcome. This is part of the long term fiscal policy and the Government have accepted that all institutions will have now 31st March as the accounting year. This is a welcome feature and a consequential change

and this will help in making many fiscal transaetions, taxation and other matters much simpler and easier.

As regards special audit, this is also a very welcome feature because the Reserve Bank should have the authority to have special audit in regard to peculiar transactions or set of transactions or accounts. This is again a welcome feature. So far as other changes are there, they are of practical nature or of routine nature and practical difficulties are to be solved through those changes I welcome them. There are a few suggestions which I would like to make. I do not agree with Mr. Morarka when he said that the Negotiable Instruments Act is a time-tested law because it was passed in 1981, and therefore, there should not be any change.

SHRI KAMAL MORARKA: I did not say that.

SHRI RAMESHWAR THAKUR: You expressed your views that way. What you said, I have noted. Now, I am coming to sections 78 and 79 of the Negotiable Instruments Act. Section 78 says to whom payment should be made and them Section 79 says, "interest when rate is specified". When in the Negotiable Instruments Act, rates are specified in respect of bills of exchange or other similar promissory notes, it is good. But if it is not specified, then we have in section 80, the rate which was fixed at 6 per cent. This rate was fixed long long back. At that time, it might have been a reasonable rate. But, taking into consideration the present market and bank rates, eighteen per cent is a very reasonable rate and this has been rightly enhanced.

So far as dishonour of cheques, which is dealt with by section 138 of the Negotiable Instruments Act, is concerned, there are two aspects. No doubt many people deliberately issue cheques which they know will be dishonoured. There has been a demand that in such cases, there should be harsh punishments. The question was whether the punishment should be in the nature of higher fine or putting such people in prison. Here, I would like to suggest to the hon Minister that in the case of any punishment by way of imprisonment, *mens rea* or the intent of the people concerned should be taken into account. No doubt the provisions in the Bill have included *the date of presentation, liability,* dishonour, fifteen days' notice, etc. But I have a feeling that there are certain situations which have not been envisaged. In the normal course of business, in these days, every business house deposits many cheques. Normally they have arrangements with their banks. Sometimes they purchase the cheques. Sometimes the cheques are to be deposited and cleared in due course. If for any reason these cheques are not cleared, what is to be done? The proviso is not clear on this issue. There may be a situation when somebody has rightly deposited a cheque but for some reason, valid or invalid, it was not cleared. What happens if these cheques are not honoured though they are holders in due course? I think by this provision some unintended hardships may be created. Also, the time of fifteen days is on the lower side. At least thirty days, time should have been given. Again, I stress on the question of intention. Either the element of intention must have been there or the punishment must have been monetary. This is my personal feeling on this aspect.

We have said about cheques on behalf of companies and on behalf of firms. 'Company' includes firms or association of individuals. There may be situations when in companies neither the manager nor the director signs cheques. They authorise the

[Shri Rameshwar Thakur]

accounts officer to sign cheques. Who will be responsible in that case? Is it the manager or the director or the accounts officer? This should have been clear. Otherwise there may be difficulties. Whosoever signs with the authority of the Board should have been held responsible. Again, in association of persons, we should specify non-entities like the HUF, trust, registered society, statutory bodies and co-operatives. Statutory bodies are also there under the Act. They are statutory bodies. But they have transactions. That aspect should also have been taken care of. There are certain other changes proposed under this provision and I welcome them.

Then, I have a few suggestions to make. Firstly, the time has come to make changes. We are making changes in nine laws together. I have a feeling that an integrated law should be brought about. The existing laws should be integrated and made up-to-date according to the needs of the time. Otherwise, we are repeating so many Acts for so many concerns with duplication and interpretation of their application, etc. Therefore, there is need for an integrated law. I urge upon the Finance Minister to have a very detailed study made by the Ministry and bring an integrated law, a comprehensive law, at the earliest, so far as banking institutions, negotiable instruments and long-term financial institutions are concerned just as we have in the case of income-tax laws.

Secondly about banks' accountability, their efficiency and profitability. There was a study group created by the Reserve Bank and I had the honour of serving on that committee. I have a feeling that these three aspects are very important. We all know that accountability of banks is important. So far as their services are concerned, the services are not up to the mark; particularly in the rural areas there is scope for improvement, though very commendable work has been done by banks since nationalisation. Figures have been given by the honourable Minister. We are aware that a lot of functions have been given to commercial banks which were not their normal functions and people were not trained for them. There are obvious limitations and difficulties. Twenty years have passed since nationalisation. We have to prepare that cadre, we have to prepare those norms and they have to be implemented ruthlessly. In regard to banking transactions the banking sector is now rendering a number of services apart from issuing cheques and drafts and transferring money from one place to another. Now there must be a norm for the costing of the service and banks must charge for that. One of the reasons for banks' depleting profitability is this that while we are rendering all kinds of services, excepting interest we have no other income. A study was made at the instance of the Reserve Bank of India and I had the privilege of being the chairman of that committee and the report of that committee is with the Government. I think the State Bank of India has already started acting in that direction to some extent and this needs consideration.

In regard to banks' accounts annual accounts, reconciliation of deposits and

other accounts, inter-bank reconciliation is very important. As a professional I know this is a problem with almost all the banks. In spite of the fact that some banks have now taken to computers, bank accounts are not fully reconciled. This is one important aspect to be seriously considered after nationalisation, banks' accountability. Their accounts must be reconciled well in time and every year. If it is necessary for the past years a cut-off point coud be there and thereafter all the accounts should be fully reconciled.

Another thing is whenever loans are made, there should be a proper apprisal of the project, of the purpose, for which a loan is given. And much more than that, after giving it, it is necessary, particularly in the rural and other areas, to take follow-up action by way of apprisal and monitoring, and to ensure that the loan is repaid. It is a matter of great concern that in many rural branches and even in urban branches where deposits and advances are made, recoveries are not ensured according to the schedule prescribed in the bank agreements. It is necessary that this should be done.

Then, manpower should be developed in the banking industry. The greatest weakness in the industry is we take fresh people and only a very short training is given. With the increase in deposits and advances and other banking operations throughout India, it is very essential that there should be a very strong manpower, there should be a manpower policy in regard to recruitment, in regard to training, training in major operational responsibilities. And those who are managers now should be given refresher training courses from time to time so that they are made up-to-date according to the requirements.

Then there is the regional imbalance in the operations of the banks. We are aware of the fact that twenty years have passed since nationalisation. There are many areas in the North and the North-Eastern States and in other States also where the banks do not have the requisite number of branches. Many of the blocks are unbanked. The bank branches are not there. On the other hand, we find that in one street in any big city twenty branches are there, branches of different banks. There should be certain norms. There should not be this competition in the urban areas and lack of branches in the rural areas. This is very essential and this should be taken care of.

Then, I come to the debt-deposit or credit-deposit ratio. This is fixed by the Reserve Bank of India and, as per the policy of the Government, it should be 60-40. In many States it is not so and I would give only one example. I would like to give the example of Bihar. There was a meeting three years back presided over by the Governor of Reserve Bank of India and all the heads of banks and financial institutions including the IDBI, IFC, etc. and other institutions were there and it was decided that in three years' time this ratio should be increased to 60 per cent at the national level. I should say, in short, that after three years it was renewed in January 1988 and it was found that the ratio has come down to 37 per cent instead of going up to 63 per cent. These imbalances are there. These are not in absolute terms. Deposits have increased, but the advances have not increased. This requires a careful consideration. In the morning, I said that in the matter of IDBI advances, Rs. 20,000 crores have been advanced and five States have got more than 51 per cent and the rest of the 21 States have got less. This needs consideration by the Government. Those areas which are backward in a developed States of those States which are backward States need due consideration and special facilities should be given. We should not leave it like that saying that there is no entrepreneur. that

[Shri Rameshwar Thakur]

there is no facility for development and that there are no branches and so on as if we have no responsibility. The time has come when this aspect should be considered. I am sure the Finance Minister will give due consideration and ensure that banking facilities are made available to all the areas and to all the people. With the kind of development that we have been able to achieve, I am sure, in the next few years we will be able to achieve much more from a decentralised banking system when we can have a good and efficient management which we want to ensure. Thank you, Madam.

SHRI E. BALANANDAN (Kerala): When this Bill was brought forward, I thought that major policy changes were going to be introduced in the banking sector. We have a long experience of banking in the country. When Shrimati Indira Gandhi brought forward the proposal for nationalisation of banks, she told the nation the laudable object of nationalisation of banks. Before coming to that, I must tell the Finance Minister that we are having 28 nationalised banks and all these banks are competing with each other. For what? All the banks are nationalised banks and still there is competition amongst them. Why don't you streamline them and make them just nine or ten banks or something like that, either region-wise or specialisation-wise? Why cannot this be rationalised? Today, I find that in certain States all the 28 banks have branches and all the bank managers are competing with each other to canvass for this and that. And in this competition, they favour somebody or the other and somebody goes with the public money and the public money is being squandered by these people. Therefore, my first suggestion to the honourable Finance Minister is that he should come forward with a proposal that the nationalised banking system in the country will not be kept as 28 banks with heavy managerial cadres, all of them always competing with each other and trying to favour somebody or the other, so that the banking system can be improved. This situation which is prevailing just now should be changed by rationalising the system. These banks may be grouped sector-wise or specialisation-wise so that every sector is served properly by these nationalised banks. Then, coming to the banking nationalisation and the effect of the banking sector, who are getting the banking benefits today? I am told that the total investments in banks today are nearly Rs. 90,000 crores. Two years back these were Rs. 82,000 crores, precisely, out of which 60-70 per cent of the money is being given to big monopolists of the country. Their names are known to all : Tatas, Birlas, Mafatlals, Singhanias, Thapars, Shrirams, Goenkas, etc. The others, the small industrialists, traders, and especially the agricultural community, do not get anything at all. What is the way? When banks' nationalisation came, we all supported it because, as I will quote Mrs. Indira Gandhi after some time, this was a big step. Really it was a big step. But what is lacking today is that the peasantry in the rural areas do not get any help. They have to depend on the money-lenders. They will go just before the sowing and they will reap the crop when they are ripe. The peasant is not the owner. He cultivated it, nursed it; but the moneylender becomes the owner of the whole crop. The peasantry of the country are in difficulties. You will find that the debt ratio of the peasant today is daily on the increase. Therefore, this policy enunciated at the time of bank nationalisation is not being implemented.

Another thing my friend has suggested that to limit of payment to IFCI which is going to be increased.

I do not know what is the purpose of it. The total effect of this law is further liberalisation. Today, as you know, the Government policy, Madam, is liberalisation of industry, liberalisation of imports, liberalisation of exports, and in the banking industry too liberalisation is being invited, with this law.

[The Vice-Chairman (Shri Jagesh Desai) in the Chair].

This is the attempt of the Finance Minister. This should not be done. As you know, the banking sector is the life-line of the country. With so much money in the public sector, if the Government of India wants, all our financial crisis in planning, capital deficiencies and so many other things can be properly fought with this money in banks if used properly.

I remind you, Mr. Vice-Chairman, what Shrimati Indira Gandhi said during the banks' nationalisation:

> "The public ownership and control of the commanding heights of the economy and its strategic sectors were considered an essential aspect of the new social order being built up in India. Financial institutions are among the most omnipotent givers that any society has at its command for the achievements of its social and economic objectives. The nationalisation was a significant step in this process of public over the principal institutions for the mobilisation of peoples' savings and canalising them towards productive purposes. The Government believe that this step would help the most effective mobilisation and deployment of national resources so that the national objectives would be realised with a greater degree of success."

This is what the late Prime Minister, Shrimati Indira Gandhi, said when the nationalisation of banks was done. You have heard what she said. If this objective, laudable as it is, had been followed, the financial crisis in many sectors would have been overcome.

3 P.M.

Sir, I am just giving a few suggestions since the Finance Minister wanted that some suggestions should be made. My first suggestion is that, as I said earlier, the number of public sector banks should be reduced to 10 or 11 banks only according to the need of the country. This system of having 28 banks should go.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): You want to amalgamate them.

SHRI E. BALANANDAN: Yes, Sir. While giving financial aid and help to the big monopoly companies and the MRTP companies, there should be some real scrutiny. The industrial sector, small sector, etc. should be helped. But the rural sector should be given preference for giving financial help from the nationalised banks. So many speakers were saying that the accounts are not tallying, money is not there in the banks, so much delay is there, etc. etc. How can we fight it? Somebody was saying that for finding expertise the only answer is computer. I do not agree to it. I am not against computer as such. But I don't agree to that for the banking sector. Who are the people who are running the banks? Lakhs and lakhs of workers are doing the work in the banking industry. Why can't the Financial Minister and the Managers take these workers into confidence? These workers should be taken into confidence and they can be appointed as the Board of Directors. Hon. Finance Minister was suggesting about the Boards in this Bill. I am suggesting that the workers should be given proper representation. They cannot swindle like big people. They can think in terms of Rs. 100/- or Rs. 1000/- or Rs. 2000/- only. They cannot swindle crores of rupees even if they make a mistake. Therefore,

[Shri E. Balanandan]

I would like to suggest that the system should be revamped. The social objective with which we have nationalised these banks should be taken into consideration by the Finance Minister and steps should be taken in this direction.

With these words, I conclude.

SHRI V. NARAYANASAMY (Pondicherry): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity to speak on the Banking Public Financial Institutions and Negotiable Instruments Law (Amendment) Bill, 1988. Sir, if we go back to history, when the announcement was made by Shrimati Indira Gandhi, our former Prime Minister, we had seen that there was opposition even from the Congressmen against the progressive thinking and they said that the banks should not be nationalised. But Indira Ji was committed to it. She made it a point to see that the banks are nationalised so that the floodgates are opened for the purpose of helping the poor and the downtrodden. I quite agree with the hon Member, Shri Balanandan, when he says that the vision of Indira Ji has not been fulfilled till this date. Sir, we have to accept the fact that the banks have become public institutions nowadays and even the poor people can go there and get loans. I would like to submit that in some banks the system of lending money and providing financial assistance to the small businessmen, agriculturists and the persons who are small vendors has not been taken very seriously. In the last year's budget, *i.e.* the 1988-89 budget, which was presented by the then Finance Minister, the thrust was given to agriculture. Rs. 2000 crores were allocated for the rural development programmes and Rs. 3000 crores were given for the benefit of the agriculturists who are employed in the agricultural work. Sir, still I would like to say that the benefits have not reached them for the simple reason that the banks are looking at the agriculturists and also small businessmen and vendors as person who will not be able to repay the amount. I would like to submit that the reality is that the big businessmen who have taken loans of crores and crores of rupees from the banks have not repaid the loans in time. There are several methods adopted by the banks to collect the money from the farmers who have taken the money for agricultural purposes. They collect from the sugar mills, they collect from the marketing societies and from several places the money is collected from them. But the banks are treating the agriculturists as unwanted elements. That tendency among the bank officials should go. Now, Sir, they have started a system of bank finances to the agriculturists within a radius of about 20 Kms. That system has come. That is a good system which will definitely benefit the agriculturists. Sir, I would like to submit in this connection one particular aspect where the banks have not been situated in the rural areas. When the agriculturist goes to the town for getting the finances to a bank in which he has his account and operating his account, they simply deny the finances to him. They say that he will have to go to another bank and collect the money though that is in another district. Therefore, strict guidelines should be given by the Finance Ministry that within a radius of 20 Kms if there is no bank available for the agriculturists to avail of the loan facility, they can approach the bank in a town which is nearer to them. In this way, they can get the benefit.

Sir, the other important aspect is that in spite of deposits mounting—I was told Rs. 18,000 crores—there is a system of paying commission to the promoters. Sir, in which a lot of bungling is going on. Sir, promoter's commission is paid...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Commission?

SHRI V. NARAYANASAMY: Yes, Sir. They are paying promoter's commission. 2 per cent is paid. They are paying promoter's commission to those persons who mobilise the deposits. When they do so, when it is a Government institution which is depositing the money, why should they pay promoter's commission? To whom are they paying? This particular aspect of promoter's commission should be removed because the finances are there jut to benefit the people. And those officers are there in the banks to collect the deposits. Why should there be a middleman, just like a promoter to get the commission from the bank? And that person being an official from the other Department, he collects the money.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Are you talking of nationalised banks?

SHRI V. NARAYANASAMY: Yes, nationalised banks. They are paying promother's commission. Sir, I know...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): I am hearing for the first time....

SHRI V. NARAYANASAMY: Let them deny that. Sir, the other aspect is that they are introducing computers. Sir, it created a furore in the minds of the workers working in the banks. Some unions agree, some unions fail to agree. Some of the banks have introduced computers. Sir, the assurance which is given by the Finance Ministry that the employees will not be retrenched and that they will be accommodated elsewhere should be followed. They should also find out the avenues for employing those persons in some allied works. They are opening new branches. They can be accommodated in those new branches. Sir, even in the rural areas, as the hon. Member has just mentioned, the opening of a branch is not a discreet thing. When one Indian Bank opens a branch in a particular village, immediately the State Bank goes there, the UCO Bank goes there. They do not apply their mind, they do not find out what will be the total business there. They should see to its viability while opening a branch. That system is not being followed. I am talking about the Southern region. The banks want to have a competition there. But the competition should be on the basis of population there and the area in which they are operating. But simply opening a branch without transacting any business will be a burden on the bank itself.

Sir, the other aspect is that the hon. Minister has brought an amendment about the punishment to a person who gives a cheque and it bounces. It is a welcome measure. About the appointment of Directors, I would like to submit that in most of the banks, the Directors have not been appointed for the past two or three years. It may have been due to various aspects. Sir, banks should have directors. Representatives of the people should be definitely represented there. But in most of the banks directors have not been appointed for two years or three years and in some banks their full trength is not there. Only a skeleton group of directors is functioning there. Why there is delay, I do not know. The hon. Minister has to explain to the House the reasons for this situation.

Sir, another important burning problem is misappropriation by bank officials and snatching away of bank money. Sir, severl such cases you must have read in the newspapers. In one case one bank clerk manipulated the account in such a way that he took away Rs. 60 lakhs from the bank account. The fraud and misappropriation by bank officials runs into lakhs and lakhs of rupees. which is a burden on the banks and these amounts have been misappropriated by them and they were only able to get back a small amount. There should be a close check on the persons. And apart

[Shri V. Narayanasamy]

from that there should be a quick remedy for it. Therefore, I would submit that each bank should have an auditing section, a separate audit wing. At present they are giving it to other auditors and they are auditing and submitting their accounts. They should have an audit wing of their own so that they are able to find out and locate the frauds and misappropriation committed in the banks. One more point, Sir, and with that I will conclude. Sir, the overseas banks are there. I do not know how they are controlling the overseas banks. They should form a corporation of overseas banks for the purpose of controlling the banks which are in other countries so that the system of their functioning can be regularised.

Sir, my last suggestion is that the banking activity should go to the rural areas. Still the desired result has not been achieved. When banks are set up in rural areas, they should function efficiently, there should not be undue competition. More than 70 per cent of the people are living in villages and semi-towns. The artisans, agriculturists, agricultural labour, small traders, those people should be given benefit. Then alone the banks will function efficiently, and production and productivity will increase. Banks should not concentrate only on monied persons. Giving 70 per cent of the loan to a limited number of persons will not solve the problem. The banks must concentrate more on the rural sector so that the country will develop on par with the urban sector. With these words, Sir, I conclude. Thank you.

SHRI PUTTAPAGA RADHAKRISHNA: Mr. Vice-Chairman, Sir, as Mr. Kamal Morarka has rightly said, it is an omnibus amendment. Actually, as a matter of fact, there are 13 Acts which are sought to be amended by this single Bill. I think it may be a rare instance in the history of our Parliament and it is unusual to take up....

SHRI RAOOF VALIULLAH: May I quote Shelley : Farely, rarely comes then the spirit of delight; The desire of the month for the star; Of the night for the morrow.

SHRI PUTTAPAGA RADHAKRISHNA: Sir, the Negotiable Instruments Act is a very vast one and a most important one, which influences the economy of the country and it is brought under this common Amendment Bill. Sir, there are several things to be amended in various Acts and they are mentioned in the Statement of Objects and Reasons. They are classified into paragraphs and I want to go by these paragraphs one by one. Sir, I would like to say that while there are some amendments which are necessary, the others are very severe which are not desirable. I would like to go clause by clause and speak about each one. I am taking it from Statement of Objects and Reasons. The first one provides for increase in the paid-up capital of the nationalised banks and other banks to maintain debt: equity ratio and increase proptability. On this we, have no objection. Let them increase the paid-up capital; let them increase the profitability and let them increase the debt: equity ratio.

The second clause provides for increasing powers of the RBI. We have some dispute on this because RBI is already enjoying enormous powers to control commercial banks in the country and, particularly after nationalisation, the burden of RBI has increased very much. In this context, I would like to pay my tributes to Shrimati Indira Gandhi who nationalised banks with daring and with a will to improve the economic conditions of the rural areas and poor people, in 1969. But the purpose of nationalisation has not been served. The poor people, mainly from the agricultural sector are

not benefited any additionally, and the things are as they were in 1969. The bankers still prefer to finance industrial houses. So, powers need not be given to RBI. In my opinion, the Comptroller and Auditor General must have the powers to take up audit work instead of RBI. This may serve the purpose and I hope the hon. Minister will consider this suggestion.

My third point is regarding uniformity of tenure of directors on the Boards. This is in conformity with the recommendations made by the Estimates Committee. We have to take the spirit of the recommendations of the Estimates Committee. Here, the word 'uniformity' is mentioned, but period is not mentioned, whether it is for two years or four years or 15 years or 30 years. What is the uniformity of tenure? It will be at the whims and the will of the Government and wherever they like, they may increase it and where they do not like, they may decrease it.

SHRI S. B. CHAVAN: Read the section please. It provides it.

SHRI . PUTTAPAGA RADHAKRISHNA: I am speaking on the items mentioned in the Statement of Objects and Reasons, clause 3.

SHRI S. B. CHAVAN: It provides for two terms, and each term for three years.

SHRI PUTTAPAGA RADHAKRISHNA: Then it is all right. But there must be some definite and uniform policy for nominating the directors. Here, I would like to give an instance. In 1982, in my own district, Sangameswara, a Grameen Bank was established. The Government asked the Collector of the district to send a panel of names for consideration for appointment as directors. The Collector sent a panel which included my name. On the day of the opening of the bank—the bank was established on 31st March, 1982—at the function. I was called to the dias along with other prospective directors, and I sat on the dias when the function for opening of the bank took place. The nominations were finalised but that was not notified. Meanwhile some Congress people represented to the Government that I am not a Congressman and how my name was recommended by the Collector to be the director. After this they changed my name; I was replaced by some other Congressman...

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Which was the bank?

SHRI PUTTAPAGA RADHAKRISHNA: It was Grameen Bank, a rural bank, sponsored by the State Bank of India. It means, the Government makes the appointment of directors only on the basis of party affiliations. They are not prepared to appoint any non-Congressman as the director of any institution under their control. It should not be so.

In regard to appointment of directors from among the employees also, there should be a definite policy. They should not select men as per their own interests. Directors should be elected by employees and workers by way of secret ballot. Not only at the directors' level. It must come from the grassroots' level on the basis of secret ballot.

In regard to the accounting year, we have no dispute. They can have any period as the accounting year. But I would suggest that it should be the same for all; Government, banks co-operatives etc. There should be uniformity. They must coincide.

In clause 5, transfer of undertakings is mentioned

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Last point now.

SHRI PUTTAPAGA RADHAKRISHNA: I will take just a few minutes.

[Shri Puttapaga Radhakrishna]

In my opinion this is unnecessary. It is already there. Amalgamation of banking companies is already there in the Banking Companies Act as well as the Companies Act. It provides for transfer of shares. This is nothing difference from that and therefore, it is quite unnecessary.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): The Companies Act and the Banking Companies Act are quite different.

SHRI PUTTAPAGA RADHAKRISHNA: I know. I am talking about the shares here. In the Companies Act, there is a provision for transfer of shares. In the Banking Companies Act, there is a provision for amalgamation of banks. This is nothing new. I, therefore, felt that this amendment is not necessary.

Provision is made for consultation with the Reserve Bank of India, the State Bank of India and other banks, if necessary, by the Government of India. It is practically a nominal consultation. Government is quite empowered to nominate anybody and there is no need to have such a provision.

Then, Sir, provision is also made for making of regulations by the Board of Directors. This is also unnecessary. It is already there in the Companies Act.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): The Companies Act is not applicable to the banking companies.

SHRI PUTTAPAGA RADHAKRISHNA: Banks come under the Banking Companies Act. That is why it is not necessary.

About clearing house. It is a good thing that a number of institutions will be covered by the clearing house. But I want that the efficiency of the clearing house should be improved. There should be quick and correct clearance. Cheques remain pending for weeks together. A cheque of a different bank within the same station takes one week to be cleared. It should not be like that. Clearing should be prompt and speedy.

Provision is made for a ceiling on the loan by the Reserve Bank of India to the Industrial Finance Corporation of India. I apprehend that it may hinder the growth of industries. There should be no ceiling. On the contrary, I would request the Government to enhance the ceiling in respect of the agricultural sector also including the NABARD and other institutions.

Increase in the rate of interest on the negotiable instruments. It is also not desirable. This may increase the flow of money and this may result in inflation also. As you know, when circulation of money goes up naturally, prices also go up. That is why this may result in inflation. With these words I would like to conclude.

SHRI RAOOF VALIULLAH: Mr. Vice-Chairman, Sir, I rise to support the Banking Public Financeial Institutions and Negotiable Instruments Laws (Amendment) Bill, 1988. Though the scope of this Bill is very limited, it gives us an opportunity to discuss the functions of the banking sector in the country. Much has been done since nationalisation of the major commercial banks but even after 19 years of their functioning and the Government's thrust for anti-poverty programmes I think the entire functioning should be reviewed, reexamined and rationalised in view of the social objectives before us. I would, therefore plead that a high-powered commission, you may call it 'Banking Commission' or a high-powered committee be appointed to examine the entire gamut of the banking sector and its functioning in the country. I would request the hon. Minister that it is high time that the banking sector in

this country should be reviewed and rationalised.

As far as this Bill is concerned, in case of dishonour of certain cheques for insufficiency of funds, so far this was a civil liability. Now it is converted into a criminal act. Therefore, as my hon. colleagues from the other side pointed out. It has far reaching consequences. People will be more careful while issuing cheques Sir, I would like to point out that this provision is an outcome of a committee which was appointed nearly 15 years ago. The report of the Committee on Banking Laws which was under the chairmanship of Rajamannar who was the former Chief Justice of Tamil Nadu, was submitted in the year 1975 and the Bill has seen the light of the day after 13 years. The Government deliberated and considered the report of Dr. Rajaraman for nearly 13 years. The report *inter-alia* contained penalising issuance of cheques without sufficient funds, penal consequences for countermand of payment, settling up of a bureau to furnish information about bouncing of cheques and making it compulsory to effect payment up to a certain amount only by crossed cheque or draft. These were the recommendations by the Dr. Rajaraman Committee. Sir, practically in all countries of the world the dishonour of cheque for insufficiency of funds has been taken care of by such Acts and has given rise to penal consequences. Therefore, I think it is a right step in the right direction though it has been belatedly taken by the Government and I congratulate the hon Minister for at least bringing this Bill in this House today.

I would also like to point out that this provision is to make drawing of a cheque a regular mode of payment. Today what happens, people ask for cash because they do not know whether the cheque would be in proper condition, whether it would be acceptable by the bank. In common parlance we who come from the State of Gujarat know, એ ચેક સ્વીકાર્ય નહી these words are very common. Therefore, one of the reasons for bringing this Bill was that the common mode of payment should be only by cheque or draft and this is a very good measure.

Sir, Mr. Morarka made out a case that innocent persons and honest persons will be harassed. I do not think this will be the case because there are already safeguards, an inbuilt clause in the Bill itself, whereby you give six months for a person who has given the cheque to make amends and therefore I do not think this should be made an issue of Six months is quite a sufficient time to make good the payment.

The whole thing is that you draw a cheque onlf when there is a bank. Therefore, my very important point is about the Bank Branch Policy. There have been pleas, there have been requests that the Bank Branch Policy should be reviewed by Government of India. There are still 400 blocks in the country where there is hardly any bank operating even today. Banking service should be made available to a population of, say 15000 and should be within a radius of 10 kilometres or less. Are we setting up adequate number of banks in the rural areas? Then only the question of a cheque to be drawn on that particular bank will arise. When there is no bank, there can be on question of a cheque. Therefore I want to plead before the Government that the Bank Branch Policy should be reviewed and more bank branches should be opened in the rural areas.

Another aspect is that of rural banking. There was a lot of criticism whether the Regional Rural Banks are viable or not. Therefore there arose a question of the terms and conditions of work for the staff in such RRBs. The Government thought of setting up a Tribunal and I am happy that a Tribunal has been set up under the chairmanship of Justice Babul Reddy. I would only like to know when the

[Shri Raoof Valiullah]

Tribunal is going to give the report and whether the report, when it comes after two, there or five months, will be implemented, because as I have just mentioned this Committee had given its report 13 years ago and only now it is being implemented. Therefore, the Tribunal's report must be implemented *in toto* as and when it comes.

Then I have a very basic question also. I come to the question of lead banks in Gujarat. We have three lead banks—the State Bank of Saurashtra with headquarters in Bhavnagar, the Bank of Baroda with headquarters in Bombay and Dena Bank also with headquarters in Bombay. I only want to make one point. Will the hon. Minister please tell me whether there is any other nationalised bank with two headquarters? The Bank of Baroda has two head quarters. One is the Head Office which is called the Central Office where all the departments function. In Baroda we have no department. The last department was shifted in April this year. And in Baroda it is called Registered Office. I do not know how the banks are to function as lead banks in a particular State when their headquarters are in some other State ... Mr. Patel, please bear with me for a second. Forty per cent of Bank of Baroda branches are in Gujarat. Not only that, 55 per cent of the branches of Dena Bank are also in Gujarat. Yet their headquarters are in Bombay. Why? I would like to get a categorical answer from the hon. Minister on this. Sir, there have been many complaints of fraud, and the Chairman of the Bank of Baroda is also involved—so says the allegation.

SHRI VITHALBHAI M. PATEL (Gujarat): He is right.

SHRI RAOOF VALIULLAH: Have the allegations been scrutinized? Why is the Chairman being given extension after extension? I want a categorical answer from the honourable Minister.

Sir, one very important aspect is, some people talked of fraud and some people said about long overdues. I will give an answer which was not given to me by the honourable Minister whether the assurance has now been fulfilled. Sir, it is shocking. By the end of 31st December, 1986, the court cases pending in the country to recover the dues from the borrowers were 30,52,621 involving an amount of Rs. 3,498.63 crores. These are the debts and I don't know whether they are dead debts. In other words, this amount is one and a half times more than the cumulative profits of the nationalized banks over the last 19 years. Will the honourable Minister please clarify whether he is going to bring any piece of legislation to take action against these borrowers? A staggering amount of nearly Rs. 3,500 crores is recoverable from these borrowers and so many court cases are pending. I would like to know from the honourable Minister what is happening to the banking sector in the country and what he is doing about it.

Sir, I would also like to point out.....

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Last point.

SHRI RAOOF VALIULLAH : Last but not the least. Sir, I had asked the question on the working of the foreign banks in this country, whether these banks are supposed to increase their advances to the priority sectors in this country and whether it is incumbent on these foreign banks to fulfil our social objectives as pointed out by the honourable Minister. I would like to know from the honourable Minister what is the role of the foreign banks in this country. I read in some newspapers that there were more applications in the Banking

Department but they have been kept pending and they have not been rejected. Have you decided whether you are going to reject foreign banks in this country because most of them are in the urban areas or are you going to allow foreign banks to operate in this country? Simultaneously, I also want to know what our banks in the foreign countries are doing. There is the famous case of the Sethias who have eaten away crores of rupees through a nexus between bank officials and the corporate sector in London. In view of this, are you still going to allow the nationalized banks to function in foreign countries? And, would there be any monitoring of this aspect?

Sir, I have made my points, but I would like to have one categorical answer and assurance from the honourable Minister, whether the Government is seriously thinking of a Banking Commission and a Commission or a High-Power Committee to go into the entire functioning, the entire gamut of working, of the nationalized banks in this country.

Thank you.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Shri Shanker Sinh Vaghela. Six minutes, please.

SHRI SHANKER SINH VAGHELA (Gujarat): I will take not more than six minutes.

THE VICE-CHAIRMAN (SHRI JAGESH DESAI): Thank you.

श्री शंकर सिंह वाघेला : महोदय, जो श्री रऊफ वली उल्लाह ने जो कुछ कहा, हालांकि वे रूलिंग पार्टी के सदस्य हैं, लेकिन फिर भी मैं उनका समर्थन करता हूं । बैंकों का जब नेशनलाइजेशन किया गया था उसका एक ही मतलब था, उसका एक ही परपज था कि कामन मैन को आप ज्यादा रुपया दे सकें । लेकिन 1971 के बाद राष्ट्रीयकृत बैंकों ने ही हमारी करेंसी को डीवेल्यू किया है । उसका उद्देश्य था कि कामन मैन को ज्यादा रुपया दिया जाय और सर्राफ और एजेंटों के शिकंजे से उनको निकाला जाय । उसकी जगह जो रियल ओनर्स नेशनलाइजेशन के पहले थे, बैंकों के चेयरमैन और बोर्ड आफ डायरेक्टर, अब इनकी पोस्टिंग बिल्कुल पोलिटिकल होने लगी और वही लोग उसमें ज्यादा क्रेडिट इंडस्ट्रियल परपज के लिये या इंडिविजुअल कारश्शन के लिये, कामन मैन के लिये नहीं, बल्कि इंडस्ट्री के लोग अपनी सिफारिशें लेकर बैंकों के चेयरमैन, रीजनल लेवल के आफिसर, उनकी मिली भगत से, इंडस्ट्री, मिल जो सिक होनी हैं ...और इंडस्ट्रीयलिस्ट जिसको केवल सबसिडी में इंट्रस्ट है ऐसे लोगों के साथ मिल कर उन्होंने पूरी इंडस्ट्री को सिक बना दिया है । मैं यह चाहता हूं कि माननीय मंत्री जी इसकी चिन्ता करेंगे और लेटेस्ट फिगर्ज बतायेंगे कि आज तक सिक इंडस्ट्रीज में बैंकों का कितना रुपया पड़ा है ? एक करोड़ या 10 लाख यानी 10 लाख से करोड़ के बीच में जो क्रेडिट करने जाते हैं तो किस की सिफारिश से ? हर बैंक को यह अधिकार है कि क्रेडिट देने से पहले वह चिंता करे कि यह पैसा वापिस आना है या नहीं आना है । तो जिस अफसर ने यह क्रेडिट दिया 10 लाख रुपये से ज्यादा रुपया दिया तो कोई भी अफसर हो, कोई भी बैंक हो उसकी अकाऊंटेबिलेटी हो, जिससे वह रुपये रिटर्न भी हो । तो वह अफसर जिसने लोन मंजूर किया है चाहे वह कहीं भी ट्रांसफर हो जाय अगर वह पैसा वापिस नहीं आता है तो यह उसकी मिलीभगत है ऐसा शक आपको करना चाहिये क्यों कि जो अपने आप क्रेडिट-डेबिट करते हैं उनका खुद का हिसाब होता है । इसकी जिम्मेदारी बैंक का जो रीजनल लेवल का अफसर होता है जो 10 लाख से ज्यादा चेकिंग करने के बाद लोन देता है उसकी होनी चाहिये । हम यह देख रहे हैं कि 1971 के बाद से इंडस्ट्रीयल सिकनेस बढ़ी है । राष्ट्रीयकृत बैंकों का जो मेन परपज था वह इंडस्ट्रीयल सिकनेस में चला गया है । दूसरी बात यह है कि आजकल हरियाणा

[श्री शंकर सिंह वाघेला]

में देवी लाल जी ने किसानों का कर्जा माफ किया है और शरद पवार जो आपके उत्तराधिकारी हैं आपके ही राज्य के मुख्य मंत्री भी है उन्होंने भी कर्जा माफ किया है ।

उपसभाध्यक्ष (श्री जगेश देसाई) : बैंक का नहीं किया है ।

श्री शंकर सिंह वाघेला : सेंट्रल गवर्नमेंट और रिजर्व बैंक कहता है ऐसा नहीं हो सकता है । मेरा यह कहन है कि आप इस विषय में कोई एक निश्चित पालिसी तैयार करें । मैं भी अपनी पार्टी की ओर से कहने वाला हूं कि किसानों का कर्जा माफ करिये । मैं यह पूछना चाहता हूं कि इसका लौजिक कैसे फिट होता है ? लौजिक यह होता है कि बिजनेसमैन करोड़ों रुपये का घपला करते हैं । हमारी जो पब्लिक इंटरप्राइजेज है इनमें भी लाखों करोड़ों रुपये, 45000 करोड़ रुपये लगे हुये हैं लेकिन 6-7 इंटरप्राइजेज को छोड़कर के सब पब्लिक इंटरप्राइज घाटे में रन करती हैं । किसान बेचारा जिसने पांच, दस या पच्चीस हजार रुपये कर्ज लिये है जितना उसने कर्ज लिया है उससे ज्यादा उसके उपर इंट्रेस्ट दे चुका है या बढ़ गया है । आपके फाइनेंशियल इंस्टीट्यूशंस और नेगोशियेबल इंस्ट्रमेंट लाज जिसमें पब्लिक फाइनांस की बात कहां है और एग्रीकल्चर सेक्टर जो है इसके लिये भजन लाल जी ने कहा था कि वे भी एक रूरल बैंक इंट्रोडयूस करने जा रहे हैं तो उसमें मेरा यह कहना है कि किसानों का कर्जा माफ करने के लिये आपकी ओर से कोई बात फल जाये जो पूरे देश के लिये सब राज्यों के लिये हो क्योंकि यह सेंटर का सब्जेक्ट है राज्य का सब्जेक्ट नहीं है । अगर कहीं राज्य ने कर्जा दे रखा हो तो ठीक है लेकिन कोई नेशनलाईज्ड बैंक या फाइनेंशियल इंस्टीट्यूशन सेंट्रल गवर्नमेंट से संबंधित हो, रिजर्व बैंक से संबंधित हो तो अगर ऐसी कोई वोट ओरियेन्टेड डिमांड होती है तब केन्द्रीय सरकार बीच में आ कर किसानों के कर्ज माफ करने के विषय में पालिसी तय करे कि 25 हजार के नीचे किसानों ने जो कर्ज लिये होंगे हम सब माफ कर देंगे । मैं ऐसी आपसे उम्मी रखता हूं । कोआपरेटिव सेक्टर में जो लोन देने वाले इंस्टीट्यूशंस होते हैं 2 से 15 परसेंट तक कमीशन लेते हैं और वे इस कमीशन पर जीते रहते हैं । उनकी अपनी खुद की कोई पालिसी नहीं है न कोई प्रोफिट करने का दूसरा माध्यम है । रिजर्व बैंक से उनको चार परसेंट पर कोआपरेटिव लोन मिलता है । वह लोन घूमते घूमते किसानों के पास जब पहुंचता है या कामनमैन तक पहुंचता है तो उसका रेट 12 परसेंट से 15 परसेंट तक हो जाता है । मेरा कहना यह है कि यह जो परसेंटेज वाला सिस्टम है जितने भी बिचौलिये हैं सब को खत्म करके डायरेक्ट रिजर्व बैंक या इंस्टीट्यूशंस की तरफ से किसानों के साथ तालमेल क्या आप नहीं बिठा सकते जिससे करोड़ों रुपयों का बीच वाला मामला समाप्त किया जा सके और साथ ही साथ डायरेक्टर उसके आफिस का या जो एडमिनिस्ट्रेटिव एक्सपेंडीचर है इसको भी समाप्त किया जा सके । अन्त में, मैं यह कहना चाहूंगा कि जैसे अभी फसल का सीजन आता है आप जब किसानों की बात करते हैं तो भजन लाल जी ने कहा था क्या ऐसा कोई इंस्टीट्यूशंस है जो किसानों के प्रोडक्शन की उचित कीमत दिलायेगा? मैं आपको एक उदाहरण देना चाहता हूं । मैंने 300 रुपये में 20 किलोग्राम गंवार खरीदा था । और जब उसका बीज लिया तो 300 रुपये पर 20 किलो मिला, आज वह 55 रुपये पर 20 किलो है । मैं अपनी कांस्टीट्युएंसी से होकर आया हूं, मैंने वहां देखा कि क्या हाल है । तो 300 रुपये पर 20 किलो लिया हुआ ग्वार आज 55 रुपये पर 20 किलो है । ऐसे ही सबमें है । शुगर लेवी है । पोमोलिन तेल की बात करिये, वह 8 रुपये लेते हैं और 17 से 19 रुपये पर किलो आप बेचते हैं । 1500

करोड़ रुपये का मुनाफा आप पामोलीन से, लेंगे और ऐसे ही कोआपरेटिव्ह इंस्टीटयूटस या अन्य इंस्टीटयूटस से लेते हैं जिनको अभी मैंने बताया । क्या आप कोई ऐसी बैंकिंग सुविधा कामन मैन को देंगे कि वह जितना उसका प्रोडक्शन है उसका 80 परसेंट कैश ले सके । वह बैंक के गोडाउन में जाकर अपनी बोरियां रख दे, कहे कि ये रखिये यह 50 हजार रुपये का गेहूं या 20 हजार की पैडी है आप 15 हजार दीजिये और 20 हजार की पैडी गोडाउन में रखिये । आज किसान मरता रहता है । पैडी की लेवी और शुगर की लेवी दोनों आखिर किसानों पर जाती है । वो इन टोटल पालिसीज में किसान फाइनेंशियली मरता है। फाइनेंस की बात है इसलिये फाइनेंशियली किसान न मरे इसके लिये और किसानों की सुविधा के लिये जितना उसका प्रोडक्शन है उसका 80 परसेंट उसको कैश में लोन मिले । कश के लिये वह सस्ते में बेच डालता है । उसको कैश इन टाइम मिले जैसे ही सीजन में माल आता है वैसे ही मिले । तो आपके जितने भी ओरियेंटेड एग्रीकल्चरल बेस्ड इंस्टीटयूट्स हैं उन सबसे ज्यादा फायदा ऐसी बैंकिंग के माध्यम से किसानों को होगा ऐसा मैं समझता हूं ।

वाइस चेयरमैन साहब, आखिरी बात रुपये के डीवैल्यूएशन के बारे में है । आज रुपये की कीमत कितनी है ? रुपये की कीमत मैं समझता हूं कि सन 1970 के हिसाब से आज लगायें तो 9 या 10 पैसे बचेगी ? एक रुपये में 9 या 10 पैसे इसकी कीमत है । मैं फिर उसी पाइंट पर वजन देने जा रहा हूं कि क्या इसके लिये बैंकिंग इंस्टीटयूशंस जिम्मेदार नहीं है ? क्योंकि इसको कोई एकाउंटेबिलिटी नहीं है । आपने जो भी चेयरमैन या बोर्ड आफ डाइरेक्टर्स एपाइंट किये, हैं सब के सब पोलिटिकल एपाइंटमेंट होते हैं । इसलिये एकाउंटेबिलिटी छोड़ कर इसमें करप्शन आ जाता है । ज्यादा किसमें मिलता है, किसको ओब्लाइज कर सकते हैं, इसी हिसाब से पूर इंस्टीटयूशंस चलते है । इसलिये टोटल करेंसी की कीमत रुपये में 10 पैसे के हिसाब से है । आपका कंट्रोल सब पर होना चाहिये ।

दूसरा, ये जितने भी बैंकिंग के बड़े बड़े आफिसर्स हैं कल इनके पास क्या था और आज क्या है, अगर प्रापर्टी का भी टोटल सर्वे करवायेंगे तो आपको यह मालूम होगा कि रुपये छूटने वाली गंगा तो शंकर की चोटी या जटा में ही घूमती रहती है, कामन मैन तक नहीं पहुंच पाती है । इन्हीं शब्दों के साथ मैं अपनी बात समाप्त करता हूं ।

श्री राम चन्द्र विकल (उत्तर प्रदेश) : उपसभाध्यक्ष महोदय, मैं आपका आभार मानता हूं । सभी माननीय सदस्यों ने जो सुझाव दिये हैं मैं उनसे तो सहमत हूं ही लेकिन अपने 2-3 सुझाव भी वित्त मंत्री जी कों देना चाहता हूं । जो विधेयक वित्त मंत्री जी ने प्रस्तुत किया है मैं उसका समर्थन करने के लिये खड़ा हुआ हूं ।

महोदय, इन दिनों बैंकों में धोखाधड़ी का काम तेजी से बढ़ रहा है । अब इसकी ट्रैनिंग चाहे सिनेमा से होती हो चाहे नावेल पढ़ पढ़ कर होती हो लेकिन कुछ तेजी से चालाकी की बात साहित्य या सिनेमा के द्वारा समाज में जा रही हैं तो इसके लिये कुछ उपाय जरूर सोचा जाय । अभी रेणुका चौधरी जी का बताया गया । मैं तो स्तब्ध रह गया जब मेम्बर आफ पार्लियामेंट का यहां सुना गया । तो धोखाधड़ी की घटनाओं को तेजी से जिस रूप से भी हो रोका जाना चाहिये, ये बहुत बढ़ गयी है ।

दूसरा जो सुझाव देना चाहता हूं वह बैंकों की सुरक्षा के बारे में है । बैंकों की डकैतियों के काम तो शहरों में भी हो जाते हैं लेकिन गांवों में तो सुरक्षा है ही नहीं । ग्रामीण बैंक बढ़े हैं । गांवों में बैंक गये हैं, बैंकों की तादाद बढ़ी है इसके लिये मैं

(श्री राम चन्द्र विकल)

वित्त मंत्री जी और अपनी सरकार का हृदय से आभार मानता हूं। लेकिन बकों में डकैतियां होती हैं, सुरक्षा की व्यवस्था नहीं है और खासकर गांवों में। शहरों में जहां पुलिस घूमती रहती है, थाने हैं, लाइट है वहां भी बैंक डकैतियां हो जाती हैं फिर गांवों में तो थाने नहीं हैं, बहुत दूर दूर वहां बैंक खोले गये हैं और मैं तो बैंक खोलने के हक में हूं, और खोले जाये बल्कि गांवों में ज्यादा हों। लेकिन गांवों में अभी लोग बैंक माइंडेड नहीं हुये हैं और अभी अपने घर को भी लुटवा लेते हैं। बैंक तो लुटते हैं ही लेकिन घरों में भी डकैती होती है। गांवों की महिलायें जेवर पहनती हैं, पैसा घरों में रखती हैं वह लुट जाता है। तो डर की वजह से लोग बैंकों में जमा तो करने लगे हैं। फिर बैंक भी लुट जाते हैं तो लोग डरते हैं। अतः ग्रामीण क्षेत्रों में दिन और रात बैंकों की सुरक्षा विशेष रूप से होनी चाहिये। कभी-कभी तो बैंक वाले लोग दिन में खड़े रहते हैं, परन्तु फिर भी डकैती हो जाती है। तो यह जो बैंकों में असुरक्षा है उससे लोगों में कभी-कभी चिंता हो जाती है।

मैं बैंकों के प्रचार-प्रसार के लिये भी कहूंगा कि कुछ नई योजना बनानी चाहिये। एक सिंडिकेट बैंक था, वह कुछ दिन पहले बहुत प्रदर्शन किया करता था; जलसे बुलाना, नुमाइन्दे बुलाना, पब्लिक को बुलाना, ऋण बांटने का कुछ काम होता था। तो उस तरह के प्रचार को सब गांवों में बढ़ाना चाहिये, चाहे ग्रामीण या राष्ट्रीयकृत बैंक न हों, यह गांवों में बढ़ाने चाहियें।

मैं एक बार जरूर इंदिरा गांधी जी को बधाई दूंगा, जैसा कि माननीय सदस्यों ने कहा, बकों का राष्ट्रीयकरण और राजाओं के प्रिवी पर्स की समाप्ति, यह इंदिरा जी के दो आर्थिक कार्यक्रम बहुत ही क्रांतिकारी थे। उनको मैं इस मौके पर बधाई देना चाहता हूं।

उपसभाध्यक्ष जी, मैं इतना जरूर कहूंगा कि बैंकों के मामले में जो ऋण हैं—आज देवी लाल जी का नाम सभी लेते हैं। मैं तो हरियाणा में प्रायः जाता हूं और अक्सर पब्लिक मीटिंग में पूछता हूं। कोई भी किसान हाथ उठा कर यह कहने को तैयार नहीं है कि हमारा ऋण माफ हुआ है। वह तो एक राजनैतिक स्लोगन था उसको सभी जगह बद-पाठ की तरह पढ़ देना इन लोगों ने कुछ सिलसिला सा बना रखा है। लेकिन हरियाणा के अनेक हिस्सों में जाने के बाद मालूम होता है कि कोई कर्जा म फ नहीं किया गया, बल्कि बिजली की दरें बढ़ा दी गई हैं—खैर मैं उसमें नहीं जाना चाहता। मैं कर्जा-माफी किसानों की नहीं चाहता, पर किसानों को कम सूद पर ऋण देना चाहिये क्योंकि वह दूसरे तरीके से मेहनत करता है देश की पैदावार बढ़ाता है। उनको प्रोत्साहित करने के लिये कम ब्याज पर ऋण देना चाहिये, जो किसान के साथ लेबर हैं, उसको भी कम ब्याज पर ऋण देना चाहिये और बेकारी दूर करने का जो हमारे प्रधानमंत्री का इस वक्त नारा है—बेकारी और गरीबी दूर करना—सो बेकारी दूर करने में जो हमारे ग्रेज्युएट लोग हैं या छोटी इंडस्ट्री, ग्रामीण उद्योग लगाने वाले लोग हैं, उनको भी कम ब्याज पर अगर आप ऋण देंगे, तो उनकी कुछ मदद हो जायेगी और उसके हमारे गांवों में थोड़ी सी इंडस्ट्री भी चल जायेगी और किसान खेती की पैदावार बढ़ा सकेगा। तो कम से कम सूद किसानों से लिया जाय, छोटे उद्योगों के लिये भी कम से कम सूद हो। स्टुडेन्ट्स को अगर प्रोत्साहन देना है, तो उनको भी कम सूद पर ऋण दिया जाये। तो सूद की दर कम होनी चाहिये और ऋण देने की ज्यादा व्यवस्था होनी चाहिये। आपका जो इसके लिये बजट है, वह भी कुछ बढ़ाया जा सकता है। गांवों में कुछ ऐसे लोग हैं कि जिनको प्रोत्साहन देकर कहा जाय, तो वह अपना पैसा जमा कर सकते हैं तो जमा करवाने की भी एक स्कीम प्रचार करके लगानी चाहिये और ऋण देने की भी—जमा करो और ऋण

दें । हम वर्ल्ड बैंक और दूसरे बैंकों से तो पैसा लेते ही हैं, लेकिन हम जो ग्रामीण लोगों से या हमारे उद्योगपति तो खैर होशियार लोग हैं, वह तो अपने आप ही जमा करते हैं ।

तो इस तरह का प्रचार गांवों में भी किया जाए । इससे वहां जमा भी हो जाएगा और कम सूद पर उनको इससे मिल जाया करेगा । इससे लोगों के कारोबार बढ़ाने चाहिए, जो हमारे देश की आर्थिक क्रांति के लिए सहायक होंगे ।

मैं इन्हीं शब्दों के साथ आपका और वित्त मंत्री जी का भी धन्यवाद करता हूं ।

उपसभाध्यक्ष (श्री जगेश देसाई) : ईश दत्त यादव जी, कृपया पांच मिनट ही बोलिए ।

श्री ईश दत्त यादव (उत्तर प्रदेश) : मान्यवर, मैं आपका आभार प्रकट करता हूं कि आपने इस महत्वपूर्ण विषय पर बोलने के लिए मुझे पांच मिनट का समय दिया है ।

The Banking, Public Financial Institutions and Negotiable Instruments Laws (Amendment) Bill, 1988,

एक साथ जो पेश किये गये हैं, यह उचित प्रतीत नहीं होता है क्योंकि इन कानूनों का देश की अर्थ-व्यवस्था से संबंध है ।

माननीय मंत्री जी ने यह संशोधन इस उद्देश्य से पेश किया है कि इससे देश की अर्थ-व्यवस्था में व्यापक सुधार होगा तथा लोगों को आर्थिक लाभ मिलेगा । इसलिए मैं यह कहना चाहता हूं कि अगर अलग-अलग करके प्रस्तुत किये गये होते और इस पर बहस के लिए और सुझाव के लिए पर्याप्त समय दिया गया होता, तो अच्छा होता ।

माननीय मंत्री जी ने संशोधन के लिए इन कानूनों में जो विधेयक प्रस्तुत किया है, यह संतोषजनक तो नहीं है, फिर भी इनसे कुछ लाभ होने की मुझे आशा है ।

महोदय, सन 1969 में इस देश के तत्कालीन प्रधान मंत्री स्व० श्रीमती इंदिरा गांधी जी ने जिस उद्देश्य के लिए बैंकों का राष्ट्रीयकरण किया था, आज उन उद्देश्यों की पूर्ति 19 वर्षों में नहीं हो सकी है । जहां तक मुझे जानकारी है .....

इस देश में अब 28 राष्ट्रीयकृत बैंक हैं । लेकिन जिस उद्देश्य से राष्ट्रीयकरण किया गया वह केवल राजनीतिक रह गया, केवल चुनावी लाभ के लिए रह गया, केवल इलेक्शन परपजेज के लिए रह गया, इससे सर्वसाधारण का कोई लाभ नहीं हुआ । महोदय, यह जो बैंक हैं इनको आपस में इतनी प्रतिस्पर्द्धा है कि बड़ा विकृत स्वरूप हो गया है और इस प्रतिस्पर्द्धा में फिजूलखर्ची में ये लोग, ये बैंक लगे हुए हैं जिससे देश की बहुत बड़ी क्षति हो रही है । मान्यवर, जहां तक मेरी जानकारी है दो वर्ष पूर्व इन बैंकों में 8100 करोड़ रुपये की पूंजी रही लेकिन इस पूंजी का लाभ किसको मिला ? कांग्रेस पार्टी और सरकार ने हमेशा समाजवाद की बात कही है, समाजवादी समाज की रचना की बात कही है, लेकिन बैंकों के राष्ट्रीयकृत हो जाने के बाद से समाजवाद को तो ठहरने की, खड़ा होने को कहीं जगह नहीं रही और पूंजीवाद दिन-रात दूना-चौगुना और दस गुना पानी की तरह से बढ़ा है । इसका कारण है कि इन बैंकों से जो भी ऋण दिया गया है वह टाटा को, बिरला को, गोयनका को, मफ़तलाल, सिंघानिया थापर, श्रीराम इन लोगों को है और जिन लोगों का मैंने नाम गिनाया है माननीय वित्त मंत्री जी को जानकारी होगी और जानकारी नहीं है तो जानकारी करने का प्रयास करेंगे कि इनके जो उद्योग समूह हैं, इन बड़े घरानों के जो उद्योग-समूह हैं इनमें शायद इनकी अपनी व्यक्तिगत पूंजी 5 प्रतिशत लगी होगी और लगभग 95 प्रतिशत इन बैंकों का ऋण इन्हें मिला है और इसके

[श्री ईश दत्त यादव]

अगेन्स्ट किसान को, गरीब को, बुनकर को, छोटे उद्योग धंधा करने वाले को केवल एक प्रतिशत ऋण मिला है इन 19 वर्षों में। इसलिए मैं माननीय मंत्री जी से और सरकार से अपेक्षा करूंगा कि देश में आप सचमुच समाजवाद लाना चाहते हैं, अगर चाहते हैं कि पूंजी कुछ हाथों में केन्द्रित न हो और पूंजीवाद इस देश में बढ़े नहीं तो बड़े घरानों के लोगों को ऋण देने की जो प्रथा है इसको आप कम करिए। अगर चाहते हैं कि देश की आर्थिक स्थिति सुधरे और देश में खुशहाली आए तो बैंकों से ऋण सस्ते दर पर, कम रेट पर किसान को दीजिए, बुनकर को दीजिए, छोटे उद्योग-धंधा करने वालों को दीजिए और प्रोत्साहित करिए गांवों के लोगों को ऋण दे करके और सस्ते रेट पर दे करके ताकि उनकी बेकारी भी दूर हो सके, काम भी मिल सके, उनकी गरीबी भी दूर हो सके और देश में पूंजी चंद सरमायेदारों के हाथों में केन्द्रित न हो सके। यह आपको प्रयास करना चाहिए। उत्तर प्रदेश सरकार ने अंत्योदय योजना चलाई है किसानों और गांवों में रहने वाले लोगों के लिए भैंस, बैल, गाय, घोड़ा आदि देने के लिए और ऋण देने की जो प्रथा है, जो प्रणाली आपके बैंकों की है दो हजार, चार हजार रुपये ऋण दिए जाते हैं और इसमें आधा हिस्सा आपके बैंक के कर्मचारी आपके डिवैलपमेंट आफ़िसर या बैंक से जो संबंधित है उसको दे देना पड़ता है तब जाकर कहीं गरीब को भुगतान हो पाता है। सरकार ने बड़े पुनीत उद्देश्य से अन्त्योदय योजना चलाई है और उस समय जनता सरकार ने इसको चलाया था और अब यह वर्तमान सरकार भी इसको कायम रखे हुए हैं लेकिन उत्तर प्रदेश के अन्दर किसान को, गरीब को, मजदूर को इस योजना का कोई लाभ नहीं मिल पाता है। सारे का सारा पैसा बैंक के कर्मचारी डिवैलपमेंट आफ़िसर, डायरेक्टर, मैनेजर ये लोग खा जाते है। इसलिए मैं माननीय मंत्री जी से चाहूंगा कि इन बैंकों में जो भ्रष्टाचार है इसकी ओर भी आप दृष्टि डालिए तब शायद आप अर्थ व्यवस्था पर थोड़ा नियंत्रण कर सकेंगे।

मैं दूसरा निवेदन आपसे करना चाहता था कि इन बैंकों में जो भ्रष्टाचार है इसके नियंत्रण के लिए आपके पास संभवतः कोई हाई पावर्ड कमेटी नहीं, कोई निष्पक्ष समिति नहीं है जो कि इन बैंकों के ऊपर नियंत्रण कर सके, इसकी जांच कर सके, क्योंकि प्रायः बैंकों में जो डाइरेक्टर्ज हैं, जो मैनेजर्स हैं ये ऋण तथा दूसरी सुविधाएं अपने परिवार के लोगों को तथा अपने सम्बन्धित को दे देते हैं। 4.00 P.M. और कुछ समय के बाद राइट-आफ़ हो जाता है, पैसे खतम हो जाते हैं किसी न किसी बहाने। इसलिए मैं चाहता हूं कि इसका आडिट करने के लिए एक निष्पक्ष सेल आप बनाएं, एक निष्पक्ष आडिट ब्यूरो बनाएं और एक हाई पावर कमेटी बनाए चाहे वह जिला स्तर की ही क्यों न हो ताकि इन बैंकों पर नियंत्रण रहे, बैंकों का जो धन गबन हो रहा है या जो भ्रष्टाचार हो रहा है, वह बढ़ने न पाये। इस भ्रष्टाचार पर कुछ नियंत्रण हो और इन बैंकों से गांव के लोगों को, गरीब को, किसान को, मजदूर को तथा दूसरे लोगों को लाभ मिल सके।

माननीय, मैं समाप्त कर रहा हूं, लेकिन एक मिनिट से कम समय लूंगा।

उपसभाध्यक्ष (श्री जगेश देसाई): आपको सात मिनिट दे दिए हैं, पांच की जगह।

श्री ईश दत्त यादव: बड़ी कृपा रही आपकी माननवर। मैं ज्यादा समय नहीं लेना चाहता। बैंकों के बारे में मेरा इतना ही संक्षेप में मंत्री जी से निवेदन है कि भ्रष्टाचार को रोकिए, पैसे को जरा गांव और गरीब की ओर बढ़ाए और पूंजीवाद को रोकिए, यह 20-22 घरानों ने इस देश की अर्थव्यवस्था को नष्ट-भ्रष्ट कर रखा है।

यह जो निगोसियेबल इंस्ट्रूमेंट एक्ट में एक नया अध्याय आप जोड़ रहे हैं 17वां अध्याय, इसके बारे में मैं एक ही चीज कहूंगा कि कानून तो बहुत अच्छा है, लेकिन थोड़ा सख्त है। मैं यह परिमार्जन इसमें चाहता था कि अगर जानबूझकर के कोई आदमी फर्जी चेक न काटता हो तो उसके

साथ थोड़ी रियायत होनी चाहिए, अगर इंटेंसनली उसका काम चेक काटने का नहीं है तो उसको रियायत दी जानी चाहिए; लेकिन अगर वह इंटेंसनली है तो चाहे कितनी कड़ी सजा आप दें, उसका स्वागत है।

इन्हीं शब्दों के साथ माननीय उपाध्यक्ष जी, मैं आपका बहुत आभार प्रकट करता हूं।

THE VICE-CHAIRMAN. (SHRI JAGESH DESAI): The discussion on his concludes. We shall resume this Bill after the discussion on the functioning of the Air India and the Indian Airlines.

SHORT DURATION DISCUSSION

Functioning of Air India and Indian Airlines

श्री शंकर सिंह व घेला (गुजरात) : मिस्टर वाइस चेयरमेन सर, मैं बड़े भारी हृदय से एअर-इंडिया और इंडियन एअरलाइन्स के कार्यकरण के संबंध में अल्पकालीन चर्चा को प्रारम्भ करता हूं। मान्यवर, यह दोनों हमारी पब्लिक अंडरटेकिंग्स जो है, अभी-अभी दुर्घटनाओं से इन्होंने अपनी क्रेडिबिल्टी लौस की है। सबसे पहले आज हमारे देश में चाहे एअरट्रेवलर हो या कामन मेन हो, वह सोचता है इंडियन एअरलाइन्स की उड़ान उसको सही जगह पर ले जाएगी या नहीं? इस प्रकार एअर इंडिया और इंडियन एअरलाइन्स ने कामन मेन का विश्वास खो दिया है। मैं चाहूंगा, माननीय मंत्री जी इसकी भी बात कहेंगे कि यह विश्वास कैसे पुनःस्थापित करेंगे, तो मुझे आनन्द होगा।

सर, आज जो इंडियन एअरलाइन्स की अपनी हालत है, उसका जो व्यवहार है, वह विदित है। कल ही अभी हमारे कैलाशपति मिश्र जी ने यहां आना था, 488 का रात को सवा आठ बजे एराइवल था, साढ़े सात बजे फोन किया गया और तब कहा गया कि फ्लाइट कैंसिल है। इसी तरह अहमदाबाद का टाइम चेंज हो गया था, सुबह सात बजे फ्लाइट हो गई थी, उड़ने का दस बजे का पुराना टाइम था, टिकिट में 10 बजे का लिखा भी गया था, पैसेंजर 10 बजे गया तो वहां गया कि फ्लाइट बांबे चली गई है। हमारी भी यही हालत है। यानी कि इतने सालों से मेरे द्वारा ट्रेवल करने के बावजूद, जबकि मेरा टेलीफोन नंबर दर्ज करते हैं कंपलसरी, एक भी टेलीफोन इंडियन एअरलाइन्स का नहीं मिला कि फ्लाइट लेट है या डिले है या कैंसिल है। तो विश्वसनीयता बांटने में कम्यूनिकेशन फ्रोम एअरलाइन्स अथोरिटी टू पैसेंजर, यह सबसे बड़ी बात है, आपका कम्यूनिकेशन सबसे पहला होना चाहिए। कोई पैसेंजर की कम्पलेंट परमानेंट सोल्व नहीं हुई है। यह हमारा इनके साथ कोआर्डिनेशन है दुर्घटनाओं में, पहले वायुदूत का एक दरवाजा खुल गया, तभी इंडियन एअरलाइन्स के आफीसर्स के दिमाग का दरवाजा खुलना चाहिए था, जबकि वायुदूत को तब हम सबने यमदूत कहा... (व्यवधान)...

SHRI VISHVJIT P. SINGH (Maharashtra): The discussion is on the functioning of Air India and Indian Airlines.

श्री शंकर सिंह व घेला : इंडियन एअरलाइन्स और एअर-इंडिया दोनों का इसमें है, तो वायुदूत ...

श्री विश्वजीत पृथ्वीजित सिंह : वायुदूत का नहीं ...

SHRI SHANKER SINH VAGHELA: It does not make any difference for a passenger. Especially in your case, whether it is a helicopter or Vayudoot or aeroplane, it will come down, with your heavy weight. तबसे इनके दिमाग के दरवाजे खुलने चाहिए थे। उसके बाद पवन हंस का वैष्णो देवी वाला एक्सीडेंट हुआ। उसके बाद अक्टूबर की 19 तारीख को अहमदाबाद वाली दुर्घटना हुई और असम में गौहाटी वाली वायुदूत की अकस्मात दुर्घटना हुई जिसने दुनिया का ध्यान आकर्षित किया। आप सन् 70 से अगर